

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Prices
Priority Mail Express, Priority Mail &
First-Class Package Service Contract 6
(MC2016-21)
Negotiated Service Agreement

Docket No. CP2016-27

PUBLIC REPRESENTATIVE COMMENTS ON
POSTAL SERVICE NOTICE OF CHANGE IN PRICES PURSUANT
TO AMENDMENT OF PRIORITY MAIL EXPRESS, PRIORITY MAIL &
FIRST-CLASS PACKAGE SERVICE CONTRACT 6

(May 26, 2017)

The Public Representative hereby provides comments pursuant to the Commission's Notice in this docket.¹ In that Notice, the Commission established the above referenced docket to receive comments from interested persons, including the undersigned Public Representative, on a Postal Service Change in Prices pursuant to Amendment of Priority Mail Express, Priority Mail & First-Class Package Contract 6.² The Postal Service's Request includes a Statement of Supporting Justification, The Postal Service also filed (under seal) a contract amendment and supporting financial data.

The contract amendment's effective date will be set 2 business days after receiving final regulatory approval by the Commission. *Notice* at 1. The Amendment

¹ PRC Notice Initiating Docket No. CP2016-27, May 22, 2017

² Notice of the United States Postal Service of Price Change pursuant to Amendment of Priority Mail Express, Priority Mail & First-Class Package Service Contract 6 with Portions Filed Under, May 19, 2017 (Notice).

replaces Sections I.B and I.E of the Original Contract and also includes new Contract Price tables. *Id.*

COMMENTS

The Public Representative has reviewed the instant contract amendment, the Statement of Supporting Justification, and the financial data and model filed under seal that accompanies the Postal Service's Notice. Based upon that review, the Public Representative concludes that Priority Mail Express, Priority Mail & First-Class Package Service Contract 6 will continue to generate sufficient revenues to cover costs during the remaining term of the contract thus satisfying the requirements of 39 U.S.C. § 3633(a).

Requirements of 39 U.S.C. § 3633. Pursuant to 39 U.S.C. § 3633(a), the Postal Service's competitive prices must not result in the subsidization of competitive products by market dominant products; ensure that each competitive product will cover its attributable costs; and, ensure that all competitive products collectively contribute an appropriate share of the institutional costs of the Postal Service. Based upon a review of the financial data filed under seal with the Postal Service's Notice, Contract 6 should continue to generate sufficient revenues to cover costs during the remaining life of the contract and therefore meet the requirements of 39 U.S.C. § 3633(a). In addition, Contract 6 contains an annual mechanism to adjust prices upwards.

The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

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